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SUBJECT: OPPORTUNITIES AND CHALLENGES FOR JORDAN IN 2007

REF: 06 AMMAN 8908

Classified By: Ambassador David Hale for reasons 1.4 (b) and (d)

¶1. (C) Summary and introduction: Both the GOJ and oppositionists view the two elections expected in 2007 as the chief challenges - and opportunities - of the coming year. Both camps are already framing their positions on foreign and domestic issues with an eye toward the polls. Islamists and other populists will appeal to widespread unhappiness with economic liberalization, GOJ foreign policy, and perceived corruption and income disparities. Pro-government candidates, who will usually be incumbents, will run on their records as channels for government largesse, draw on their credentials with tribal and other local establishments, and echo the King's public themes, especially on Jordan's security and prosperity relative to its Arab neighbors. The palace hopes to draw more Jordanians into the political system, and at the same time install a more reform-friendly parliament than the current one. In the run-up to elections, USAID, MEPI and MCC will provide more incentives and resources for the expansion of citizen participation in political life here.

¶2. (C) Even as the political class prepares for the elections, there will be more debate over continuing government political and economic reforms, along with worries that conflicts in Iraq and the Palestinian areas might worsen and affect Jordan. End summary and introduction.

Municipal Elections

¶3. (C) The Chamber of Deputies is debating a government-drafted bill that would significantly democratize local government by providing for the elections of all municipal councilors, except in Amman, where half would be appointed. At present, the central government appoints half of the councilors for all municipalities.

¶4. (C) A parliamentary committee amended the bill so that the GOJ would also continue to appoint half the members of the councils in Irbid and Zarqa, Jordan's other two large cities. Democracy advocates - and the Islamic Action Front - fought in parliament and in the press against the proposed amendment, without success.

¶5. (C) Contacts in parliament believe the amended bill will pass in the coming month, and in much its present form, chiefly because King Abdullah has made it clear that he considers it a priority. The current draft requires the government to set an election date no later than six months after the bill passes.

Parliamentary Elections

¶6. (C) The term of Jordan's current, reform-averse Chamber of Deputies, elected in 2003, is set to expire in 2007,

unless King Abdullah exercises his constitutional power to extend it for one or two more years. The King has stated publicly that he wants parliamentary elections in 2007. He reiterated this intention in his speech to parliament on November 28, 2006 (reftel). He reaffirmed to the Ambassador on January 6 that he intends to proceed with both sets of elections this year.

¶17. (C) Reformers want Jordan to elect its next parliament under new rules that provide more representation to urban areas (where most Palestinian-Jordanians live). The King and his advisers support gradual movement in this direction as part of a long-term strategy to make Jordan's political system more inclusive. However parliament, dominated by East Bankers, would certainly resist if given the chance, as many members would effectively be voting themselves out of jobs. As a result, we expect the King to use his constitutional authority to promulgate a so-called temporary law, after the current parliament ends its session, which would set new election rules. Every parliamentary election in Jordan's history has been held under such temporary laws.

¶18. (C) Despite the King's public calls for elections in 2007, some oppositionists are skeptical. The Islamic Action Front, joined by other oppositionists, brought 400 people to a demonstration December 25 to demand parliamentary elections on time. Many in the East Banker establishment, for their part, have confided to emboffs that they hope there will be no elections, and they are urging the King and his advisors to postpone them. Senate President Zeid Al-Rifai, a pillar of the establishment and confirmed anti-democrat, is among them.

¶19. (C) The King is indisputably preparing for elections in

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2007 (see para 10 below.) Barring a dramatic worsening of the regional situation, or an unexpected outcome to the municipal council vote earlier in the year, post believes parliamentary voting will take place, probably in late 2007. King Abdullah is convinced that gradual political opening is essential to Jordan's long-term stability. He is also keenly aware of the scrutiny of democratization advocates both at home and abroad, and such scrutiny is usefully employed by him to convince those skeptics around him of the need to proceed despite the risks.

GOJ Strategy for Countering Islamist Candidates

¶10. (C) As welcome as King Abdullah's commitment to democratization is, however, it carries with it risks, both for him and for the U.S. His twin goals - a more broadly based electorate and, at the same time, a more reform-friendly parliament - may prove hard to achieve at the same time.

¶11. (C) Security-minded contacts inside and outside the GOJ fret that Islamists and other critics of GOJ foreign and domestic policies will do well in both municipal and parliamentary polls. The Islamists control 15 percent of the seats in the current Chamber of Deputies. Although it is not possible to conduct accurate opinion polls on the Islamists' support on the street, post estimates the Islamists' core constituency is about a third of the electorate. Islamists also hope to appeal beyond their constituency, and to make inroads among the many Jordanians unhappy about economic liberalization, GOJ alignment with U.S. policies, and alleged corruption among the country's elite.

¶12. (C) There is as of yet no unified alternative bloc mobilizing the other two-thirds of Jordanians against the Islamists, though there is still time for one of the numerous pro-government groupings to take the lead. Ironically, one of the King's own reform measures - the new political parties law expected early this year - may moderately complicate life

for any new anti-Islamist coalition, since new, unfamiliar rules for establishing new parties will presumably come into force just as the group is organizing.

¶13. (C) Ministers and palace officials nevertheless believe they can overcome the Islamist challenge. First, the GOJ launched a public works campaign in 2006, with an emphasis on health clinics. GOJ capital spending in 2006 was up 21 percent over the previous year, and much of this increase came late in the year. Spending on health clinics was up 60%. \$400 million in new Gulf aid last year will enable the GOJ - if it is deployed effectively and visibly - to continue a robust effort throughout 2007 to demonstrate to potential Islamist voters that the government is addressing their needs.

¶14. (C) Second, a traditional component of GOJ election strategies is extensive work by Jordan's capable security service, the General Intelligence Directorate (GID). In the past the GID has managed would-be candidates to ensure that pro-government constituencies are not split, has backed friendly candidates with money and patronage, and has encouraged others to run in order to split oppositionists' support. We expect this to occur again, but that under new, more loyal leadership, GID will work to increase the number of MPs supportive of the King's reform agenda.

¶15. (C) Last but perhaps most importantly, the King views his support for U.S. efforts to restart Israeli-Palestinian peace talks as another means of preparing the ground for elections in 2007. If Jordanians perceive a revival of movement toward a two-state solution, Islamist candidates will have lost one of their most effective talking points. The King has also told the Ambassador he believes the reaction to the manner of Saddam's execution will help as well, generating support for him as a Sunni leader opposing the threat posed by Iran and its supporters in Iraq and the region. This appeal to Sunni interests, he believes, puts the IAF on the defensive - as they are associated with pro-Iranian groups and as Hamas and Hizballah. He acknowledges emotions may cool by the time of election, is doing what he can to exploit it now, but recognizes the danger of creating too strong a sectarian mood that would complicate efforts to get Iraqi Sunnis to enter the reconciliation process there.

USG Support for Political Reform

¶16. (C) The 2007 elections will also provide the USG a continuing opportunity, in parallel with the GOJ's own efforts, to further support reform. The King's frequent contact with senior levels of the USG will enable us to continue engagement in support of political reform. USAID is

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adding significant new resources to expand on MEPI's efforts, chiefly through NDI and IRI, to provide training and networking opportunities for civil society and party organizers. The Millennium Challenge Corporation's Threshold Program, and negotiations to implement an MCC Compact with Jordan, will provide additional resources and incentives for political reform.

More Populism from Both Government and Opposition

¶17. (C) With elections approaching, both government and opposition are paying even more attention than usual to their public postures on events in Iraq and among the Palestinians. Senior Islamists, confident they had public sentiment on their side, were quick to blame the U.S. government in the controversy over the executions of Saddam and his co-defendants. However, for now, Iran and its supporters in Iraq and the region come in for even more criticism. Meanwhile, debate in parliament, never particularly elevated, is becoming dominated by populist posturing, even among

pro-government MPs. Reform policies that once seemed settled, such as the government's almost-completed program to gradually zero out fuel subsidies, have been re-opened in parliament, thanks to the approach of elections. In another example, government reformists' push to rationalize the income tax system code seems doomed by the stampede of MPs over to the populist camp.

Other Reforms

¶18. (C) We also expect Parliament to debate the government's bills to reform the press and publications law, the rules governing political parties, public access to government information. The King's endorsement of each of these bills during his November 28 speech will keep them at the top of parliament's agenda.

Regional Conflicts

¶19. (C) The GOJ views Iran as perhaps the most important factor in the foreign policy and security challenges it will face in 2007. Jordan's leaders see Iran as working against stability both directly, and through an axis of Hizballah, Hamas, Syria and those Iraqi Shi'ites perceived as loyal to Iran. In contrast, most ordinary Jordanians viewed Iran positively after last summer's Israel-Hizballah fighting. Although Tehran's popularity subsided in recent weeks in reaction to developments in Iraq - especially the highly sectarian flavor of Saddam's execution - many still support Iran's efforts and those of its allies in other parts of the region.

¶20. (C) The violence in the Palestinian territories and in Iraq has the potential to do serious harm to Jordan's own political balance, and casts a shadow over the expectations of Jordan's political class for 2007. Jordanians and their leaders worry that the prospect of a Palestinian state is receding as the separation barrier nears completion, settlements expand, and Palestinian factions fight. In the worst case, Jordanians fear that civil war among the Palestinians would generate both new refugee flows, and heated debate here over how Jordan should respond. Tensions between the Palestinian-Jordanian majority and East Banker ascendancy could revive as a result. Under any scenario, leading East Bankers will argue against electoral reforms to create a more demographically representative parliament until such time as a Palestinian state is created, and any question about the "foreign" loyalties of Jordan's majority Palestinian population is resolved. This may be a cynical argument for some but it is one with emotional appeal to the East Bank community, where memories of the 1970 civil war are kept alive.

¶21. (C) Jordanians are also concerned that a dramatic worsening of the situation in Iraq is possible, and that it could lead to larger flows of displaced Iraqis, repeats of the Iraqi suicide bomber attacks in Amman of November 2005, or even popular calls for Jordanian military support for Iraqi Sunni Arabs.

Conclusion

¶22. (C) The GOJ views the 2007 elections as opportunities to advance reform, even in the face of challenges from Islamists and the conflicts in the region. The GOJ can probably manage Jordan's Islamists, but the GOJ's ability to influence neighboring conflicts on its own is limited. Jordan's leadership will continue to appeal for U.S. initiatives to stabilize the region, and will remain ready, in its own

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interest, to help our efforts whenever it can.

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